



# Domestic waste management charges for NSW councils for 2023-24

25 October 2022

In 2010 the Minister for Local Government delegated to IPART the function of varying domestic waste management (DWM) annual charges. Since then, IPART has decided each year it would not limit these charges.

With the NSW Office of Local Government's commitment to a new regulatory approach, we have not set a 'waste peg'

IPART decides each year whether or not to set a maximum percentage ('waste peg') by which NSW local councils can increase their DWM annual charges.

In the context of the NSW Office of Local Government's (OLG's) regulatory role and commitment to its new regulatory approach for DWM annual charges, we have decided not to implement a 'waste peg'.

Our decision is:

1. That no limit is to apply to the percentage by which the councils may vary their domestic waste management (DWM) annual charges for the period from 1 July 2023 to 30 June 2024.

Our decision has been informed by our recently completed [review](#) on how we exercise our functions related to DWM annual charges. We undertook this review to inform our future decisions and consider how best to protect customers and ensure the charges provide value for money into the future.

Our review concluded that implementing a waste peg at this time would not be in the best interests of ratepayers, councils or the environment. We recognise the need to support councils and communities in meeting the [NSW Government's Waste and Sustainable Materials Strategy 2041](#) targets and transitioning towards a circular economy.

As part of our review, OLG recommended a new approach to regulating DWM annual charges through it providing further guidance to councils and undertaking targeted investigation of councils that may be imposing unjustifiably high charges on their communities. We support and recommend OLG develop and implement its new approach to regulating DWM annual charges.

In the context of the OLG's regulatory role and commitment to its new regulatory approach for DWM annual charges, we have decided not to implement a waste peg. We also intend to make decisions on whether to limit DWM annual charges in future years in the context of OLG's new regulatory approach.

### DWM charges must not exceed the reasonable cost of providing DWM services

We note that the *Local Government Act 1993* under section 504(3) requires councils to set DWM annual charges such that the income obtained from charges for DWM services does not exceed the reasonable cost to the council of providing those services. This obligation applies regardless of IPART's decision.